United Nations E/CN.5/2008/4

Economic and Social Council

Distr.: General
23 November 2007

Original: English

Commission for Social Development
Forty-sixth session
6-15 February 2008
Item 3 (a) of the provisional agenda*
Follow-up to the World Summit for Social Development and the twenty-fourth special session of the General Assembly: promoting full employment and decent work for all

Promoting full employment and decent work for all

Report of the Secretary-General

Summary

The present report has been prepared in response to Economic and Social Council resolution 2006/18, in which the Council decided that the theme for the 2007-2008 review and policy cycle of the Commission for Social Development would be "Promoting full employment and decent work for all", taking into account its interrelationship with poverty eradication and social integration. The report briefly examines the current labour market trends and challenges. It further addresses a policy framework for achieving full employment and decent work, focusing on macroeconomic policies, enterprise and rural development, education, training and skills, and social protection, as well as standards and regulatory policies. The report concludes with a set of policy recommendations that underscore the importance of making full employment and decent work a central objective of national and international policies.

* E/CN.5/2008/1.

07-61528 (E) 181207

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I. Introduction

1. At its forty-fifth session, the review session of the 2007-2008 implementation cycle, the Commission for Social Development undertook an evaluation of progress in achieving the goals of full employment and decent work, and their impact on poverty eradication and social integration. The outcome of the review segment was in the form of a chairperson's summary,[1] which identified constraints, obstacles, best practices and possible approaches for achieving full employment and decent work.

2. At its forty-sixth session, the Commission will focus on policy options and practical measures to facilitate the implementation of the goal of full employment and decent work. The present report is a contribution to the Commission's discussions on policy options and possible actions to address the constraints and obstacles identified in the previous report of the Secretary-General (E/CN.5/2007/2) and the chairperson's summary[1] of the review session.

3. Since the World Summit for Social Development, held in Copenhagen in 1995, the United Nations has emphasized the role of productive employment in reducing poverty and promoting social development. At the 2005 World Summit, world leaders made the commitment to strongly support fair globalization and resolve to make the goals of full and productive employment and decent work for all, including for women and young people, a central objective of (their) relevant national and international policies (see General Assembly resolution 60/1, para. 47). In keeping with that commitment, the Secretary-General, in his report on the work of the Organization issued in 2006, proposed to include a new target, echoing the commitment of the 2005 World Summit, under Millennium Development Goal 1.[2]

4. Moreover, in paragraph 5 of the ministerial declaration adopted by the Economic and Social Council on 5 July 2006,[3] participants in the high-level segment resolved to promote full and productive employment and decent work for all. Further, the Economic and Social Council at its session in 2007 adopted resolution 2007/2 entitled "The role of the United Nations system in providing full and productive employment and decent work for all", in which the Council invited the United Nations system to develop, with the assistance of the International Labour Organization (ILO), mechanisms for sharing their expertise on employment and decent work and for assessing the impact of relevant policies on employment, with special attention to youth and women.

II. Labour market trends and challenges

5. The commitment to generate full and productive employment and decent work remains a considerable challenge, given the current levels and trends of employment. According to the most recent estimates, 1.5 billion people, or one third of the working-age population worldwide, were either unemployed or

[1] *Official Records of the Economic and Social Council, 2007, Supplement No. 6* (E/2007/26-E/CN.5/2007/8), annex I.

[2] See *Official Records of the General Assembly, Sixty-first Session, Supplement No. 1* and corrigendum (A/61/1 and Corr.1), para. 24.

[3] Ibid., *Supplement No. 3* (A/61/3/Rev.1), chap. III.

underemployed in 2006.[4] That figure comprises about 200 million unemployed and 1.3 billion working poor who work in unproductive jobs and are unable to earn enough to lift themselves and their family members above the two dollars a day poverty line. About one third of the world's working-age population is not participating at all in the labour markets. The inactivity rate is strikingly higher among women — 5 out of 10 women worldwide are not in the labour force — and among youth, who, when they participate in the labour market, are more than three times as likely to be unemployed than adults.[5]

6. Despite robust economic growth in recent years in most developing countries, employment creation has been lagging behind the growth of the working-age population. Furthermore, in contrast to past experience, economic growth has not been strongly associated with the growth of formal employment. Changing labour markets have contributed to the expansion of the informal economy where a substantial share of employment is created.

7. Recent data show that between 50 and 70 per cent of workers in developing countries are in informal work. Most are in some form of "self-employment", although a large number are in casual jobs. Agriculture still accounts for about 55 per cent of the labour force across the developing world, with the figure being close to two thirds in many parts of Africa and Asia. In Latin America, out of every 100 jobs created since 1980, about 70 have been informal in character. Thus, the percentage of informal workers in non-agricultural employment grew from 40 per cent in 1980 to more than half of urban employment at present.

8. Global informalization of employment and "jobless growth" are linked to "de-industrialization", a phenomenon that has become characteristic of all developed countries and, increasingly, of developing countries. In developed countries, de-industrialization refers to the tendency to shed manufacturing jobs even as manufacturing output expands. In many developing countries, including the two growing economies successful in expanding their shares of world trade in manufacturing products, China and India, there has been de-industrialization in the sense that growth in industrial output has been expanding without generating a similar rate of growth in manufacturing jobs.[6]

9. Such de-industrialization in developing countries is characterized by a net transfer of jobs from agriculture to services, many of which are low-paying and precarious. In the case of sub-Saharan Africa, industrial investments have gone to capital-intensive industries such as mining and energy, to the detriment of the manufacturing sector, whose share of regional gross domestic product (GDP) and labour force has been declining during the last few decades.

10. A major consequence of de-industrialization is that the world is rapidly becoming an economic system, with employment dominated by the service sector.

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[4] International Labour Office, *Key Indicators of the Labour Market (KILM), Fifth Edition* (Geneva, 2007).

[5] The inactivity rate is the proportion of working-age population that is not in the labour force. Individuals are considered to be outside the labour force, or inactive, if they are neither employed nor unemployed, that is, not actively seeking work. Ibid., KILM indicator 13.

[6] De-industrialization has also been defined as the decline of manufacturing employment relative to employment in other sectors. See A. Singh, "Third world industrialization and the structure of the world economy", in D. Currie, D. Peel and W. Peters, *Microeconomic Analysis: Essays in Microeconomics and Development* (London, Croom Helm, 1981).

In 2006, the employment share of the service sector in total global employment reached 40 per cent, and, for the first time, overtook the share of agriculture.

11. Informalization is also closely linked to labour casualization. By and large, recent developments in the global labour markets have been in the direction of greater economic insecurity and greater levels of most forms of inequality, in particular between skilled and unskilled workers, adversely affecting the opportunity of people to maintain a life of decent work and satisfactory employment. Employment conditions and opportunities have deteriorated in many countries, in particular for workers with low education and low skills, including older workers, persons with disability, indigenous peoples and migrant workers.

12. The global movement towards greater social and economic deregulation and liberalization in recent decades has also triggered migration, both within countries and internationally. As a result of growing migration and the movement of jobs around the world, there are signs that a new global labour market is emerging, although mobility of international labour has grown at a much slower rate than has mobility of international financial capital.

13. Although social security is a right enshrined in the Universal Declaration of Human Rights, 80 per cent of the world's population remains without any access to some form of social protection.

III. Towards a coherent policy framework

14. The challenge of creating full and productive employment and decent work lies primarily with national Governments. However, in many countries, macroeconomic policies have failed to stimulate sufficient job growth. Those policies were based on the assumption that economic growth would mechanically stimulate employment creation, and issues of redistribution were relegated to the realm of social policies. There is ample evidence that economic growth alone does not automatically lead to the creation of jobs. A more proactive approach that puts employment generation at the core of both social and economic policies should therefore be pursued.

15. Although the appropriate policy mix will vary from country to country, creating a macroeconomic environment that enables enterprise development and productivity growth will be critical to employment creation. Improving productivity and fair distribution are necessary conditions for growth in output and the quantity and quality of jobs. Policies that may contribute to improving productivity include fiscal and monetary intervention, managed trade liberalization, external deficit and debt reduction, attracting foreign investment and improving exchange rate regimes to support enterprise development as well as interventions aimed at human resource development, with a particular focus on skills, employability and social protection.

16. A review of existing practices shows that policies that improve the functioning and governance of labour markets based on the decent work approach can yield better outcomes in terms of employment and poverty reduction than "employment-blind" economic policies. This suggests that decent work for all, rather than employment creation per se, should be placed at the centre of economic and social policymaking.

A. Macroeconomic policies

17. Given the state of global integration and interdependence, macroeconomic policy actions in one country can significantly impact economic well-being, including employment creation, in other countries. There is therefore a need to address issues of global policy coherence for development at the international level, in particular those aspects of globalization that have a more direct bearing on labour markets.

18. At the country level, the goal of creating productive employment and decent work should be mainstreamed into all macroeconomic decisions, policies and programmes. A better understanding of the evidence base for macroeconomic policy interventions aimed at creating productive employment, together with greater levels of dialogue and participation of all stakeholders in macroeconomic policymaking, may facilitate achieving equitable and sustainable growth. In order to improve prospects for the better monitoring of the impact of these policies on job growth, further efforts are needed to systematize the collection of standardized data on labour markets, including on informal employment, at both the national and international levels.

19. Fiscal and monetary space allows countries to use monetary policies to smooth out business cycles and to protect vulnerable members of society during economic downturns. However, external constraints and a fragile economic position have forced many developing countries to pursue pro-cyclical macroeconomic policies detrimental to long-term growth, and thus to employment creation. Macroeconomic authorities, including central banks, should consider the employment impact of their policy choices. Countries may pursue monetary policies to ensure that exchange rates do not create disincentives to domestic production or harm the export sector and therefore negatively affect employment.

20. In most countries, the private sector is the key driver of economic growth and job creation. Policies that support business incubation as well as foster the development of new industries should therefore be put in place. Such ventures have the potential to trigger economic dynamism, create jobs, as well as contribute to poverty reduction. National macroeconomic policies should promote the development and improve the competitiveness of the private sector, in particular labour-intensive sectors, including actual and potential export industries, as well as those sectors with higher potential for job growth.

21. States cannot rely solely on market forces to create adequate jobs for socially excluded groups or in distressed areas. Experience has shown that, despite recording strong economic growth rates in the recent past, market forces have failed to create an environment for sustained growth and employment creation in many developing countries, particularly in rural areas and among marginalized groups living in urban areas. Governments may, therefore, consider financing employment programmes for socially excluded groups or in distressed areas by expanding budgetary policy.

22. Increases in public works spending on roads, bridges and other public infrastructure by central and local governments can create jobs at a time of deteriorating labour market conditions. Expansion in public works tends to increase construction demand as well as demand for raw materials and the generation of additional jobs in the retail and manufacturing sectors. It raises wages, which in turn have the potential to stimulate increased consumer spending. In the long term,

investment in infrastructure not only fosters local job growth, but also contributes to building regional and national trade and industrial competitiveness.

23. In order to create additional jobs, Governments may also promote policies that utilize tax credits and subsidies to boost business start-ups and expansions, improve the competitiveness of small and medium-sized enterprises, as well as optimize export opportunities for local companies. Such policy measures can also be used to encourage companies to establish business operations in remote and underserved regions.

24. Foreign direct investment has the potential for the creation of full employment and decent work opportunities. Although foreign direct investment inflows in employment-intensive sectors generate jobs, countries should adopt foreign direct investment strategies that focus on higher value products or technology-based industries. Such strategies will generate better paying high-end jobs as well as decent low-end jobs. In addition, foreign direct investment flows should be harnessed to complement domestic investment and facilitate the transfer of technology and skills. For foreign direct investment to have any growth and employment augmenting effects, a mix of fiscal and monetary policies that improve the business environment will have to be accompanied by social policies that improve the wages, skills and health of workers.

25. The increasing role of international trade in the global economy has important implications for employment creation and wages. While there is an expectation that countries can potentially gain from trade liberalization, the evidence shows that trade-driven output gains have so far been limited to countries with a high export orientation in the agricultural or manufacturing sectors, while countries at an early stage of developing their productive capacities have suffered significant adverse economic and social consequences from premature trade liberalization. There is also evidence that trade liberalization has led to a decline in demand for unskilled labour in countries of the Organization for Economic Cooperation and Development.

26. In addition, the unequal distribution of the benefits created by trade between countries as well as the unfair trading practices that result in significant increases in imports can harm employment growth and wages in poor countries, in particular those in sub-Saharan Africa. Therefore, trade liberalization needs to be accompanied by informed policies that guard against premature, full exposure to global competition.

27. Policies that exclusively focus on trade and exports cannot be the sole employment creation strategy for countries, let alone constitute an effective poverty reduction strategy. Competitiveness in the external market must go hand-in-hand with domestic demand-led expansion as well as the structural transformation of economies. Hence, the dynamic effect of exports on employment growth should complement employment gains resulting from improvements in domestic production.

B. Enterprise and rural development

28. In many countries, small and medium enterprises, in aggregate, employ a large share of the labour force, in part owing to their number and their labour-intensive technologies. Enterprise development is therefore key to employment creation, and

measures to strengthen an entrepreneurial culture that favours enterprise creation, productivity and innovation should be promoted.

29. Enhancing the ability of small and medium enterprises to generate employment and decent work is an important consideration in enterprise development design. Specific assistance to enable small firms to become productive and sustainable includes access to credit, technical assistance, building of management capacity, market assistance and business linkages with other activities, including with those in the formal sector. Procedures for business formation and regulatory oversight should be streamlined, and rational fiscal incentives for agricultural and industrial enterprises should be provided.

30. Microfinance schemes have become one of the promising ways to cater to the needs of microenterprise creation and operation. Credit cooperatives have also shown great potential in providing small-scale clients with access to microfinance services. Despite the challenges to expansion, microfinance and credit cooperative activities need to be encouraged for their impact on promoting employment and providing livelihoods.

31. In developing countries, small and medium enterprises tend to operate informally and are characterized by low pay, income insecurity, and lack of employment benefits. Incentives to business formation need, therefore, to be balanced with the need to safeguard and, where appropriate, improve protection for workers.

32. While agriculture's share of total employment is on the decline, the rural population continues to account for a little more than 50 per cent of the world's population with high rates of unemployment and underemployment. Promoting productive employment in the rural and agricultural sector can complement urban poverty reduction strategies by reducing incentives to migrate to urban areas as well as provide an antidote to the increasing pressure for international migration.

33. A rural development programme that promotes full employment and decent work needs to address how an abundant low-skilled labour force can be tapped for productive agricultural production and complementary non-farm economic activities. This may require reviving rural economic activities through investments in agriculture, agro-industrial activities, as well as addressing land reform.

34. Rural development cannot occur without investments in rural infrastructure for irrigation, transport and electrification. Such investments can increase farm productivity, facilitate enterprise creation and open employment opportunities. Benefits from infrastructure investments extend beyond improved farm productivity to the non-farm rural economy and have long-lasting effects.

35. Rural development also involves investments in human capital and training to raise labour productivity and to build capacity. Promotion of microenterprises and small enterprises should ensure that those displaced by higher farm productivities are able to find alternative local employment opportunities. Improving access to technology and information, including through agricultural extension, is important for the adoption of better production techniques and for broader marketing of rural products. Policies, therefore, need to be directed at raising the productivity and facilitating diversification from agriculture to other economic activities.

36. Rural development programmes need to promote non-farm activities to diversify rural employment generation and growth, as well as to absorb large numbers of the rural poor. Some vertical integration activities that process agricultural products not only help to retain higher value added to the rural economy, but also mitigate against losses from oversupply of crop harvest and the inability to quickly market perishable goods. Aside from improving the marketing of agricultural products, an effective rural development programme should ensure the availability of agricultural inputs at reasonable prices, free of the price manipulations of middlemen. Measures that provide a strong link between the agricultural sector and other sectors, for example, food processing industries, may constitute new entrepreneurial opportunities.

37. While the provision of financial services is key to strengthening the rural economy, delivering financial services to rural communities is a major challenge and remains largely unfulfilled. Financial services should, therefore, be geographically accessible to clients, and products and methodologies should adapt to local agricultural systems in order to adequately meet borrowers' needs and facilitate loan management.

38. Land reform remains an important instrument not only for raising productivity in the rural economy but also for its redistributive and incentive effects that impact employment and poverty reduction. Improving the access of the poor to land and securing property rights, especially for women, positively impact on the incomes of poor farmers. Other redistributive mechanisms of land reform may also be considered, including legislation on ceilings on landholdings, improved tenurial security and terms of land contracts. Land redistribution should ensure that parcelled lands are viable with respect to modern technology and not only with respect to traditional farming methods.

39. Fair trade in the global trading of agricultural products between agricultural producers in developing countries and consumers in developed countries is important and has the potential to generate better and more sustainable employment opportunities and working conditions for agricultural workers. Strategies for risk-sharing, in particular through microinsurance and cooperative schemes, should be promoted to reduce producers' risk exposure to weather and natural disasters.

40. The challenge of promoting full employment and decent work in the urban informal sector in developing countries is equally compelling. The shift from agricultural to industrial and services employment drives the growth of rural-urban migration, which in turn feeds on the growing urban informal economy and self-employment. The urban economy is beset with informal labour arrangements and labour casualization to which women are particularly exposed, given their disproportionate participation in the informal economy. The sector is often characterized by low wages and unstable working conditions.

41. Governments may consider policy options to encourage formalization of informal industrial and services enterprises, through, for example, fiscal incentives and the adoption and enforcement of simpler business formation and regulatory procedures. At the same time, innovative approaches should be jointly explored and considered by Government, the private sector and labour groups in order to convert informal labour arrangements into ones with provisions for social security benefits, health insurance and protection from labour exploitation. Promoting

microinsurance, a programme that can provide viable social protection coverage for those in the informal sector, should be considered.

42. Policies that promote organizing to form cooperatives or trade unions should be supported because informal workers benefit from bargaining for improved labour conditions through collective action and voice.

C. Education, training and skills

43. Skills acquisition and training form an integral part of policies for employment creation and overall social and economic development. All countries face the challenge of adapting their education and training systems to meet changes in the demand for skills and to improve the learning environment. Growing competition in the global economy and technological change require new, often specialized skills, which determine future competitiveness. It is essential to enhance education and training opportunities, implement measures for labour mobility, and upgrade the skills of the labour force in order to maintain a skilled workforce capable of competing in the knowledge-based economy. Investment in skills development results in higher productivity, increased employability and labour mobility, the ability to attract foreign investment and better capacity to adapt to changes.

44. Governments should develop a comprehensive capacity to identify skills gaps, mismatches and shortages. Regular assessment and projection of industries' and occupation-specific requirements for skills should be carried out in order to design and implement appropriate training for individuals, industries, occupations and sectors in order to ensure that skills will match the needs and requirements of employers. Efforts should also be made to address the basic skills gap of marginalized groups and those employed in the informal sector.

45. National policies for education and training should take into account both the demand and supply sides of the labour market to ensure that the potential of the workforce is maximized. Depending on the national context and the needs of particular social groups, more emphasis should be given to either primary or secondary education, vocational or non-vocational education and specialized training programmes. Investing in all types of education and training will eventually set a steady path to higher productivity.

46. In order to compete in the labour market and be integrated into economic and social life, individuals need both technical and core work skills. Vocational skills, important for carrying out specific tasks in particular workplaces, have to be supplemented by core work skills development and lifelong learning for all. A combination of literacy and vocational training or retraining is thus necessary, especially for the working poor, who often do not have access to formal education, and to prevent those not currently employed from slipping into long-term disengagement from the labour market.

47. Skills recognition and certification provide important assets for individuals' employability. It is thus important that a national system of skills recognition and formal certification be instituted. Such a system should promote the development and implementation of mechanisms for the assessment, recognition and certification of skills and ensure that the skills are recognized across educational institutions, industries and enterprises. The system should enable workers to move freely within

the labour market and have their past training properly recognized wherever they work.

48. The recognition and certification of skills is of special importance to migrant workers, whose capacities too often go unrecognized in their host country. Migrants also face special challenges in the area of language, skills, education and professional experience. Organization of educational courses for would-be migrants, courses that would offer general information on the country of immigration, language instruction and vocational training, including training in occupational safety and hygiene standards, should be encouraged.

49. The Secretary-General's Youth Employment Network policy recommendations on the employability of young people tackle the vicious circle of poor education and training, poor jobs and poverty. Countries are encouraged to review and reorient their education, vocational training and labour market policies — as well as to set achievable targets — to facilitate the school to work transition and to give young people, in particular those who are disadvantaged because of disabilities or who face discrimination because of race, religion or ethnicity, a head start in working life.

50. In order to eliminate all forms of gender discrimination in the labour market, policies should address the factors affecting women's engagement in the workplace, including lower salaries, lack of career development owing to interrupted work histories, family care obligations and the ability to build pensions and other resources for retirement. The absence of family-friendly policies regarding the organization of work can increase those difficulties. Technical and vocational training programmes catering to the special needs of low-income women should be developed. Women entrepreneurs should also have access to credit, legal rights to property and other pro-business growth programmes. In addition, employment opportunities for women and girls should be expanded in sectors traditionally dominated by men.

51. Policies should recognize the skills, merits and abilities of persons with disabilities, and increase their access to work. To that end, policies should promote the principle of reasonable accommodation in the workplace and encourage employers to make such accommodations. The goal is to ensure the employability of all, so that they may participate in the labour market to the fullest extent of their capabilities, unfettered by outmoded or stereotypical assumptions about those capacities.

D. Social protection

52. Social protection facilitates social cohesion, integration and inclusion. These are necessary elements of an enabling environment conducive to economic growth and socio-economic development. In addition, social protection can have positive macroeconomic effects and contributes to raising productivity in the national economy. Income support derived from social protection helps to stabilize income, which in turn can offset cyclical swings in consumption, thus helping to maintain levels of aggregate demand and economic growth. Social protection also facilitates necessary adjustments and transitions in the labour market by providing a degree of income security.

53. In high- and medium- income countries, social protection programmes play a significant role in reducing poverty. There is also evidence from a few low-income countries that basic social transfer programmes can deliver much faster outcomes in term of poverty alleviation than the trickle-down effect from economic policies.

54. It has also been shown that the existence of some forms of social protection increases school enrolment, improves school attendance and performance, and broadens access to health care and better nutrition. Pensions contribute to the reduction of old-age poverty.

55. In sum, social protection is a social investment that can contribute to social and economic development, in addition to being a moral and ethical imperative based on social justice, solidarity and fundamental human rights.

56. In implementing social protection systems, countries have encountered numerous challenges. Financial resource limitation is a typical obstacle that Governments need to overcome in developed and developing countries alike. Related to the resource issue is the need to change the perception that social protection is an unproductive expenditure.

57. In developed countries, many Governments have undertaken reforms of its social protection systems to make them more efficient and responsive to changing conditions in the economy, in particular the labour market. In developing countries, the challenge has been establishing or expanding systems of social protection to cover greater proportions of the population in a policy environment characterized by a shift towards greater reliance on market mechanisms and retrenchment of the role of the State.

58. To a large extent, anti-poverty programmes in the developing world have disproportionately focused on prime age workers and children. As a result, informal sector workers, subsistence farmers and other socially excluded groups continue to live under the threat of chronic poverty and hunger, and poor health. For countries in Central and Eastern Europe, the transition from planned to market economies has led to the disappearance of guaranteed jobs and retirement security as well as the erosion of social protection mechanisms for large families, the elderly and the disabled.

59. Globalization and accompanying developments in the world of work in the past two decades have posed additional challenges for social protection systems. On the one hand, income insecurity has increased owing to sectoral shifts of employment away from manufacturing jobs, the trend towards informalization, and increased flexibility in work and contractual arrangements. This makes social protection more relevant than ever. On the other hand, traditional social protection schemes typically are based on the work pattern of a male breadwinner in a stable employment relationship, and are thus not available to an increasing number of people who work and need social protection. This institutional mismatch must be overcome in order to meet the challenge in the twenty-first century of promoting productive employment and decent work for all. Social protection systems need to evolve, taking into account the emerging trends of multisectoral labour markets and multiple earners, rather than continuing to be based on industrial job markets and male breadwinners as in the past.

60. It is the role of Governments to ensure a minimum level of social protection for all. Social transfers should become an essential solidarity-based development

tool and should be progressively extended to workers in the informal sector. Existing informal support networks provided by the family, community and other traditional arrangements should be supported to supplement formal social protection systems. The possibility of linking these informal systems to formal social protection systems should be explored in order to strengthen them and to help them to assume some of the characteristics of conventional social security programmes.

61. In order to tackle the existing social protection deficit, developing countries should consider flexible approaches and partnerships, including context-specific mixes of statutory and private schemes while working towards a universal system.

E. Standards and regulatory policies

62. The adoption of the 1998 Declaration on Fundamental Principles and Rights at Work by the ILO member States marked a renewed commitment to respect, promote and realize "core labour standards", namely, freedom of association and the right to collective bargaining; abolition of forced or compulsory labour; elimination of child labour; and freedom from discrimination.

63. These commitments do not always reflect current realities and practices. International competition and the pressure to maintain maximum market flexibility in recent years has led to reduced job security, a diminished role for organized labour, and a relative weakening of workers' bargaining position vis-à-vis their employers. These changes have resulted in the progressive decline of labour standards, leading to more precarious forms of employment characterized by limited social benefits and statutory entitlements, low wages and poor working conditions. Work often comes with no certainty of continuing employment in the short term and a high risk of job loss, a low level of regulatory protection and no recognition of trade union rights.

64. At the same time, discrimination is widespread, as are violations of workers' rights. Racial and ethnic inequalities continue to prevail, especially in areas with few anti-discriminatory laws. Millions of persons with disabilities share the problem of limited job opportunities, although the issue of discrimination against persons with disabilities is gaining recognition. Women continue to suffer from pervasive discrimination in labour markets that burden them with lower wages than men's wages and occupational segregation. Workers in the informal sector are generally not covered by labour laws, including by safety and health regulations.

65. Internationally agreed standards should provide general guidelines and rules for labour in the global economy. They serve the purpose of creating a common basis for understanding and giving effect to the principles of decent work in national frameworks, including on standards and regulatory policies. Whether or not a country has ratified a particular convention, the relevant standards provide guidance for the elaboration of national laws, policies and judicial decisions, the operation of national labour and collective bargaining institutions and mechanisms, as well as good labour and employment practices.

66. In order to further strengthen respect for and to promote labour standards, it is necessary to go beyond general guidelines and set concrete targets, either quantitative or qualitative, while taking into account the national context. Concrete

targets, for instance, can help to translate commitments into effective application and to monitor progress in enforcing the agreed general labour standards.

67. Setting up an appropriate supervision system for monitoring and coordinating the implementation of labour standards at the national level is also necessary. Regular reporting on implementation of the agreed labour standards at the national level, combined with substantial technical cooperation programmes, might be useful mechanisms for avoiding conflicting interpretations of their meaning and application.

68. The numerous challenges arising from globalization and its impact on global and national labour markets and working conditions call for appropriate legal and regulatory frameworks to be put in place and/or strengthened at the national level. Evidence from some countries suggests significant deficits in the current legal regime and its judicial interpretation in relation to decent work. In addition, even where such a regulatory framework exists, its enforcement often remains a challenge.

69. Governments may consider reviewing the legal and other regulatory frameworks within which full employment and decent work are to be achieved, with a view to ensuring that full legal protections are provided for the core labour standards and other nationally determined conditions of employment. In addition, a full review of existing institutional capacities could be conducted to foster innovative regulatory approaches to guaranteeing development of standards to advance the attainment of decent work, and methods to enforce those rights.

70. The enforcement of internationally agreed labour norms and standards by national authorities is critical to creating an enabling environment for decent work. The possibility of sanctioning the incorrect application or non-application of legal standards and regulatory policies and providing appropriate legal remedies to those whose rights have been violated is fundamental for securing enforcement. In that regard, Governments could assess whether labour inspectorates are provided with the appropriate frameworks and resources.

71. In some cases, the implementation of certain labour standards and anti-discriminatory practices might require a more flexible approach, in line with ILO conventions. This involves mobilizing the private sector to ensure that respect for labour standards is an integral part of doing business. For example, the Global Compact proposed to the international business community in early 1999, has adopted the four categories of the 1998 ILO Declaration and its labour principles, without enforcing the behaviour of companies, but relying on public accountability, transparency and the enlightened self-interest of companies.

72. It is important to distinguish between the appropriate role of private sector entities and that of the State itself. Firms cannot be the guarantors of the core labour standards and human rights, as this is the proper responsibility of the State. However, policies and actions at the level of firms impact upon the implementation of such rights. In the context of statutory guarantees, it may be useful to encourage self-regulation around specific practical steps that firms must take to avoid violating such rights. The voluntary codes of conduct may positively contribute to changing standards with regard to such issues as decent working hours or the balance between work and family responsibilities.

73. Collective bargaining is another useful instrument to ensure localized solutions to firm-specific and sector-specific issues. When workers are unorganized, creative institutional development to permit collective voice may be required. In addition, depending upon national conditions and preferences, it may be important to develop robust, independent institutions that can advise social partners and Governments, settle intractable disputes and disseminate learning about how best to improve working conditions while achieving economic growth.

IV. Conclusions and recommendations

74. Achieving the goals of full and productive employment and decent work is an integral part of the efforts to meet the internationally agreed development goals, including the Millennium Development Goals, and the broader United Nations development agenda, with its central focus on improving the lives of poor people. Putting in place the policies and practical measures discussed in the present report is a challenging task and will require concerted efforts at the national and international levels. The Commission for Social Development may wish to consider the following policy recommendations.

75. **The goals of full and productive employment and decent work should be made a central objective of economic and social policies and incorporated into national development strategies, including poverty reduction strategies. In this regard, attention needs to be given to promoting greater coherence between sectoral and macroeconomic policies and adopting integrated strategies for employment generation at the national, regional and local levels.**

76. **Governments should promote enterprise development, including the development of farms and rural enterprises, small and medium-sized enterprises, cooperatives and microenterprises in the informal sector. Measures need to be directed at increasing investment, improving access to market and infrastructure, as well as facilitating the trend of diversification from agriculture to other economic activities.**

77. **Priority needs to be given to provide training and skills enhancement at all skills levels to increase the employability of the workforce and its adaptability to changing labour markets. Special emphasis should be given to provide special training to those social groups in need of core work skills and basic education to enable them to participate in the world of work.**

78. **Social protection systems should adapt to current labour-market conditions in order to provide economic security. Special attention should be given to extending the effectiveness and coverage of social protection, including coverage for workers in the informal economy. Promoting a global social floor, consisting of universal child benefits, access to health services and pensions for older persons, should be pursued.**

79. **Greater attention should be given to developing appropriate institutions and regulation, including frameworks for social dialogue, as important elements for the effective and fair functioning of labour markets, as well as the adoption and implementation of labour laws that protect workers' rights.**

80. National regulatory frameworks should be reviewed and strengthened with a view to ensuring that core labour standards are fully enforced in both the formal and informal sectors.

81. The United Nations system should pursue more effective mainstreaming of the goals of full employment and decent work into its policies and programmes in support of national development efforts.